

**February 22, 2010**

**WASHINGTON, DC** -U.S. Rep. Michael A. Arcuri (NY-24) announced that the Credit Cardholder's Bill of Rights takes effect today. The legislation, which included support from a majority of Democrats and Republicans, cracks down on credit card companies that take advantage of their customers through frivolous charges and increasing interest rates without explanation or warning.

"Too often credit card companies rely on the fine print to take advantage of families," **Arcuri said**

"This legislation is a great example of how Republicans and Democrats can come together to protect consumers. Today marks a great step in the fight to end these predatory practices by holding credit card companies accountable, providing some much needed transparency over the industry and sets a standard of ethics that just makes common sense."

The Credit Cardholder's Bill of Rights Act of 2009 (H.R. 627), which passed the House of Representatives on April 30<sup>th</sup>, 2009 with bipartisan support, contains sweeping reforms to protect credit card owners. Under the provisions of the bill, a credit card company could only increase the interest rate on a customer's existing balance if payment is more than 30 days late or if there were a pre-existing scheduled increase (such as the end of a promotional rate period). Currently, credit card companies can increase interest rates for a customer's balance when there is any late payment.

To protect local consumers, The Credit Cardholder's Bill of Rights Act:

- Requires 45-days advanced notice of interest rate increases;
- Requires Credit Card Companies to use 5 p.m. local time as the cut-off for receipt of payment on the due date. Currently, some companies use 10 am as the cut-off, meaning a payment could arrive on the due date and still be considered late, triggering finance charges;
- Requires credit card companies to apply payments to debt with the higher interest rate - allowing consumers to pay off debt more quickly;
- Prohibits calculation of interest more than once per monthly cycle;
- Requires monthly statements to be sent 21 days before their due date, rather than the current minimum of 14 days that many companies use; and

- Prohibits minors under age 18 from being granted credit cards, unless they are financially independent.

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